

HOUSE BILL REPORT

ESSB 5853

As Passed House:

March 2, 2022

Title: An act relating to establishing a limited project regarding leasing certain department of transportation property in order to remedy past impacts to historically marginalized populations.

Brief Description: Establishing a limited project regarding leasing certain department of transportation property in order to remedy past impacts to historically marginalized populations.

Sponsors: Senate Committee on Transportation (originally sponsored by Senators Billig, Liias, Kuderer, Lovick, Saldaña and Wilson, C.).

Brief History:

Committee Activity:

Transportation: 2/25/22, 2/28/22 [DP].

Floor Activity:

Passed House: 3/2/22, 70-26.

Brief Summary of Engrossed Substitute Bill

- Authorizes the Washington State Department of Transportation to lease property purchased as part of the Interstate 90 Corridor and the US 395 North Spokane Corridor projects at less than fair market rent to a community-based nonprofit corporation or the Department of Commerce to remedy past impacts to historically marginalized populations.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass. Signed by 16 members: Representatives Fey, Chair; Bronoske, 2nd Vice Chair; Ramos, 2nd Vice Chair; Berry, Chapman, Donaghy, Duerr, Entenman, Hackney, Paul, Ramel, Riccelli, Slatter, Taylor, Valdez and Wicks.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Minority Report: Do not pass. Signed by 3 members: Representatives Goehner, Klicker and Sutherland.

Minority Report: Without recommendation. Signed by 9 members: Representatives Barkis, Ranking Minority Member; Eslick, Assistant Ranking Minority Member; Robertson, Assistant Ranking Minority Member; Volz, Assistant Ranking Minority Member; Dent, Griffey, McCaslin, Orcutt and Walsh.

Staff: Jennifer Harris (786-7143).

Background:

The Washington State Department of Transportation (WSDOT) may rent or lease any lands, improvements, or air space above or below lands held for highway purposes that are not needed at the time of rental or lease. The rental or lease:

1. must be on terms and conditions determined by the WSDOT;
2. is subject to zoning requirements that apply;
3. includes lands used or to be used for limited access and conventional highways if they are not needed for the period of rental or lease; and
4. in the case of bus shelters provided by a local transit authority that include commercial advertising, may charge the transit authority only for commercial space.

All funds paid to the state for rental or lease of the WSDOT lands, improvements, or air space must be deposited in the WSDOT's Advance Right-of-Way Revolving Fund, except funds that are subject to federal aid reimbursement and funds received from the rental of capital facility properties, which must be deposited in the Motor Vehicle Fund.

Summary of Bill:

The WSDOT may establish a limited project for community purposes to address past impacts to historically marginalized populations within impacted local communities resulting from the construction of Interstate 90 (I-90) and the US 395 North Spokane Corridor project. The limited project must be consistent with restrictions that apply to the WSDOT's ability to rent or lease lands, improvements, and air space.

The Legislature finds that this limited project is in the overall public interest based on social, environmental, or economic benefits. The WSDOT may lease the property eligible for lease, which includes property that was purchased as part of the I-90 corridor project and the US 395 North Spokane Corridor, to a community-based nonprofit corporation or to the Department of Commerce (Commerce), to be used for the following community purposes:

- housing and ancillary improvements;
- parks;
- community revitalization projects;
- enhanced public spaces, such as trails and public plazas; and

- projects that provide enhanced economic development in the impacted community.

The lease for this limited project may be for less than fair market rent. However, the lease agreement must require the lessee to maintain the premises as part of the consideration provided to the WSDOT by the lessee. A sublease of the lease authorized is not intended to generate exorbitant profits. A community-based nonprofit corporation and Commerce must provide updates, to the extent practicable, to the City of Spokane and the City of Spokane Valley when any significant actions are taken related to agreements and activities for this limited project.

The limited project may not be construed as precedent for future lease agreements of WSDOT property in other areas of the state, nor does this authorization preclude the WSDOT from leasing property in other areas of the state for economic rent.

All funds paid to the state for this project must be deposited in the Motor Vehicle Fund and may only be used within the I-90 Corridor and the US 395 North Spokane Corridor.

The legislative intent is that the WSDOT establish this limited project to allow for the WSDOT property's use for community purposes made unavailable as a result of the placement of the highway—the WSDOT is strongly encouraged to establish the limited project.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Over 60 years ago, the east-central neighborhood of Spokane, a historically black neighborhood, was fractured, cutting residents off from friends and neighbors. Over 1,000 homes were taken for the expansion of highways. The damage from this expansion was immense and long lasting, scarring the community, and leaving ruins from highway development. The North Spokane corridor has provided many benefits to the region, but has suffered significant impacts as a result.

The WSDOT has identified surplus land that is not needed for future highway development. This bill will facilitate the process of restoring the east-central neighborhood and help heal a neighborhood harmed by highway construction in the past. This will be a community-led process, and will augment \$18 million in spending by the City of Spokane to revitalize this area. It will also provide a hedge against gentrification and the rising price of homes.

The cost of housing is increasing in Spokane, and this neighborhood is experiencing a housing crisis. The housing crisis is hitting communities of color, low-income families, and immigrant families especially hard. Spokane does not have the resources to address homelessness, and there is now a tent city in the area. The bill will be a critical tool for legislators and developers to make sure that much needed low-income housing is made available.

(Opposed) None.

(Other) There is a need for additional housing supply in this area. Housing advocates have a very hard time finding housing, and an even harder time finding affordable housing, for undocumented and mixed-status families who are abuse survivors. This should be a project led by the community, with participation from grass roots organizations.

Persons Testifying: (In support) Senator Andy Billig, prime sponsor; Representative Marcus Riccelli; Jonathan Bingle, Spokane City Council; Lili Navarrete; Ben Stuckart, Spokane Low Income Housing Consortium; Marty Dickinson, STCU; Jim Dawson, Fuse Washington; and Mike Gribner, Washington State Department of Transportation.

(Other) Hanncel Sanchez, Mujeres in Action.

Persons Signed In To Testify But Not Testifying: None.